



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**C. WARREN NEEL, Ph.D.
COMMISSIONER**

**FOR IMMEDIATE RELEASE
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March Revenues

Nashville – On an accrual basis March is the eighth month in the 2001-2002 fiscal year. Department of Revenue tax collections were \$558.9 million, a decrease of \$26.2 million or –4.48% over last year.

Revenues were nearly \$50 million less than the budgeted estimates, Finance and Administration Commissioner C. Warren Neel announced today. The general fund had an undercollection of \$41.1 million and the four other funds undercollected by \$8.9 million for the month.

Sales tax collections increased by 1.39% in March which is \$6.6 million less than the estimate. March collections represent retail sales in February. Tennessee's increase was less than the national retail sales increase of 2.6%.

Franchise and excise taxes combined were \$76 million for the month, a decrease of \$24.6 million or –24.44% for the month. Collections were \$28.0 million less than the estimate.

Gasoline taxes and motor vehicle registrations were \$7.9 million less than the budgeted estimates of \$86.1 million.

Year-to-date collections for eight months are \$229.4 million less than the budgeted estimates for all funds and \$223.7 million less than the general fund estimate.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the first session of the 102nd General Assembly in June of last year.

<p align="center">REVENUE COLLECTIONS</p> <p align="center">MARCH, 2002, AND 8 MONTHS YEAR-TO-DATE</p>
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March Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$483,957,000	\$442,884,000	(\$41,073,000)
Highway Fund	53,260,000	47,356,000	(5,904,000)
Sinking Fund	19,344,000	19,262,000	(82,000)
City & County Fund	50,229,000	47,185,000	(3,044,000)
Earmarked Fund	2,081,000	2,197,000	116,000
Total	\$608,871,000	\$558,884,000	(\$49,987,000)

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$3,937,954,000	\$3,714,212,000	(\$223,742,000)
Highway Fund	376,512,000	377,867,000	1,355,000
Sinking Fund	157,055,000	156,277,000	(778,000)
City & County Fund	411,607,000	403,739,000	(7,868,000)
Earmarked Fund	20,103,000	21,688,000	1,585,000
Total	\$4,903,231,000	\$4,673,783,000	(\$229,448,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	March		Change	Percent
	2001	2002		
Franchise & Excise	\$100,564,000	\$75,982,000	-\$24,582,000	-24.44%
Income	10,304,000	6,763,000	-3,541,000	-34.37%
Inheritance & Estate	8,534,000	5,899,000	-2,635,000	-30.88%
Gasoline	42,904,000	39,638,000	-3,266,000	-7.61%
Petroleum Special	4,319,000	4,211,000	-108,000	-2.50%
Tobacco	6,866,000	5,735,000	-1,131,000	-16.47%
Beer	1,192,000	1,250,000	58,000	4.87%
Motor Vehicle Registration	20,645,000	21,066,000	421,000	2.04%
Motor Vehicle Title	1,015,000	919,000	-96,000	-9.46%
Mixed Drink	2,845,000	2,922,000	77,000	2.71%
Business	482,000	695,000	213,000	44.19%
Privilege	10,803,000	12,177,000	1,374,000	12.72%
Gross Receipts	48,000	-1,000	-49,000	-102.08%
TVA - In Lieu of Tax Payments	16,130,000	16,544,000	414,000	2.57%
Alcoholic Beverage	2,353,000	2,335,000	-18,000	-0.76%
Sales and Use	344,526,000	349,315,000	4,789,000	1.39%
Motor Vehicle Fuel	11,495,000	13,347,000	1,852,000	16.11%
Severance	98,000	83,000	-15,000	-15.31%
Coin-operated Amusement	2,000	3,000	1,000	50.00%
Total	\$585,125,000	\$558,884,000	(\$26,241,000)	-4.48%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - March		Change	Percent
	2000-2001	2001-2002		
Franchise & Excise	\$610,824,000	\$486,725,000	-\$124,099,000	-20.32%
Income	26,558,000	22,132,000	-4,426,000	-16.67%
Inheritance & Estate	50,608,000	58,935,000	8,327,000	16.45%
Gasoline	380,684,000	376,881,000	-3,803,000	-1.00%
Petroleum Special	41,671,000	41,084,000	-587,000	-1.41%
Tobacco	54,092,000	53,880,000	-212,000	-0.39%
Beer	10,276,000	10,340,000	64,000	0.62%
Motor Vehicle Registration	111,120,000	130,354,000	19,234,000	17.31%
Motor Vehicle Title	6,940,000	6,890,000	-50,000	-0.72%
Mixed Drink	22,360,000	23,470,000	1,110,000	4.96%
Business	2,777,000	3,394,000	617,000	22.22%
Privilege	103,109,000	117,660,000	14,551,000	14.11%
Gross Receipts	15,849,000	15,606,000	-243,000	-1.53%
TVA - In Lieu of Tax Payments	129,851,000	133,709,000	3,858,000	2.97%
Alcoholic Beverage	20,035,000	20,160,000	125,000	0.62%
Sales and Use	3,071,081,000	3,072,139,000	1,058,000	0.03%
Motor Vehicle Fuel	97,447,000	99,666,000	2,219,000	2.28%
Severance	735,000	746,000	11,000	1.50%
Coin-operated Amusement	26,000	12,000	-14,000	-53.85%
Total	\$4,756,042,000	\$4,673,783,000	(\$82,259,000)	-1.73%

Table 3
August - March Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ (85,900,000)	\$ (4,700,000)	\$ (90,600,000)
Inheritance Tax	4,700,000	0	4,700,000
TVA Payment	800,000	600,000	1,400,000
Gasoline & Motor Vehicle Registration	(200,000)	(900,000)	(1,100,000)
Other Taxes	1,900,000	(700,000)	1,200,000
Sub-Total	\$ (78,700,000)	\$ (5,700,000)	\$ (84,400,000)
F & E Taxes	(145,000,000)	0	(145,000,000)
Total	<u>\$ (223,700,000)</u>	<u>\$ (5,700,000)</u>	<u>\$ (229,400,000)</u>

March Revenue Report

(in millions)

March is the 8th month of fiscal year 2001-02 on an accrual basis.

TOTAL TAX COLLECTIONS March 2002, \$558.9

Performance versus the estimate for the month

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$608.9	-\$50.0	-8.2%

TOTAL TAX COLLECTIONS Y-T-D March 2002, \$4,673.8

Performance versus the estimate Y-T-D

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$4,903.2	-\$229.4	-4.7%